

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 183 - SB 404

April 14, 2015

SUMMARY OF BILL: Creates the Veterans Traumatic Brain Injury Treatment and Recovery Fund in order to provide hyperbaric oxygen treatment (HBOT) to veterans who suffer traumatic brain injury (TBI). The Fund will be administered and allocated by the Department of Veterans' Affairs (DVA) and shall consist of donations, appropriations by the General Assembly, and other monies. Any reserves shall remain in the Fund and not revert to the General Fund. Authorizes the Commissioner of Veterans' Affairs to select a Tennessee public university to have full statewide jurisdiction over all medical treatments provided and costs allowed to providers who request reimbursement from the Fund. Requires the public university to develop and publish a standard approved treatment plan for veterans being treated for a TBI using HBOT. Authorizes a veteran to receive HBOT at any Tennessee facility that has a hyperbaric chamber and provides such treatment if the veteran is a Tennessee resident and has been diagnosed with a TBI and been prescribed HBOT by an authorized medical professional. Requires participating facilities to provide HBOT at no cost to the veteran and to submit a bill for any treatment to the Commissioner. Authorizes the Commissioner to promulgate rules to effectuate the proposed legislation.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$6,080,000

Assumptions:

- According to the 2013 Congressional Research Service paper, *Traumatic Brain Injury Among Veterans*, there were 1,017 Operation Enduring Freedom and Operation Iraqi Freedom veterans diagnosed with TBI-related conditions at VA medical facilities in fiscal years 2002 to 2010.
- According to information found in a 2014 report by the Indiana State Department of Health in consultation with the Indiana Department of Veterans' Affairs and the Division of Mental Health and Addiction, TBI can be addressed with 40 to 80 HBOT treatments at \$400 per treatment or a maximum cost of \$40,000 per patient.
- An average of 127 veterans per year (1,017/8 years) is estimated to be diagnosed with TBI-related conditions. An increase in state expenditures could reasonably be estimated to exceed \$5,080,000 on treatment costs alone. (\$40,000 x 127)
- Currently, the DVA does not conduct or oversee any medical treatments. To meet the requirements of the proposed legislation, the DVA would require the addition of medical, financial, and legal personnel. In addition to personnel, the Department would

also need to establish a method for storing individual's medical records and to establish secure methods of access to medical partners who would administer medical treatment.

- Due to several unknown factors, including but not limited to, the number of medical, financial, and legal personnel, specialized technological needs, contracting with a university and a consultant to assist the Department.
- Other unknown factors would be the specific number of veterans who would be eligible for the program, the number of treatments necessary per veteran, and the Medicare/Medicaid reimbursement rates for such treatment.
- According to the DVA, conversations with the Department of Health, the estimated increase in state expenditures for necessary personnel would exceed \$1,000,000.
- The total increase in expenditures is estimated to exceed \$6,080,000 (\$5,080,000 + \$1,000,000).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, appearing to read "Jeffrey L. Spalding". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Spalding" clearly distinguishable.

Jeffrey L. Spalding, Executive Director

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